



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>



RECEIVED

DEC 05 2011

DIV. OF OIL, GAS & MINING

DEC 02 2011

IN REPLY REFER TO:  
3474  
SL-066490  
UTU-73516  
(UT-9223)

CERTIFIED MAIL – 7011 1150 0000 6739 5251  
Return Receipt Requested

UtahAmerican Energy, Inc.  
794 N. "C" Canyon Road  
P. O. Box 910  
East Carbon, UT 84520

DECISION

: Coal Lease  
: SL-066490  
:  
:  
:

Bond Increase Required

On May 3, 2010, a lease bond covering Federal coal lease SL-066490 with UtahAmerican Energy, Inc. as principal, and Rockwood Casualty Insurance Company, as surety was accepted by this office. On June 10, 2011 a surety rider was accepted to extend the coverage of this bond to the additional modified acreage of this lease.

Regulations at 43 CFR 3474.2 allow for the amount of any bond to be increased/decreased when additional/less coverage is determined to be appropriate. The Utah State Office, in conjunction with the Price Field Office, is requiring that your bond for coal lease SL-066490 be increased by \$23,000 to a total coverage of \$143,000 based on the anticipated three months royalty production requirements for this lease.

This bond amount may be provided by increasing the current bond by \$23,000, by submitting an additional new bond in the amount of \$23,000 or by submitting an entirely new bond for the whole bond amount of \$143,000. Another option, as noted by our letter dated October 28, 2011 would be to provide a LMU bond, as recommended by our Price Field Office in a Memorandum dated October 19, 2011, in an amount of \$152,000 to provide bond coverage for the leases contained in the North Block LMU. Enclosed are forms for submitting a new surety bond or a new treasury note or cash in lieu of bond. If you do not agree with the bond amount, you must submit written justification to this office clarifying your position for a lesser bond amount.

A compliance period of 30 days from the receipt of this decision will be allowed to submit the above bond.

/s/ Roger L. Bankert

Roger L. Bankert  
Chief, Branch of Minerals

Enclosures

1. Surety Bond Form
2. Personal Bond and Power of Attorney Form

cc: State Division of Oil, Gas and Mining  
Price Field Office

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**BOND\* UNDER LEASE FOR  
MINING DEPOSITS**

FORM APPROVED  
OMB NO. 1004-0121  
Expires: February 28, 2013

Serial Number

Bond Number

KNOW ALL MEN BY THESE PRESENTS, That

of \_\_\_\_\_, as principal,

and

of \_\_\_\_\_, as surety,

are held and firmly bound unto the United States in the sum of

dollars

(\$ \_\_\_\_\_), lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The conditions of this obligation are such, that whereas the said principal entered into a lease of the lands described therein and upon conditions therein expressed, which lease bears the above serial number.

NOW, THEREFORE, if the said principal, his heirs, executors, administrators, or successors, will faithfully carry out the obligations and observe the requirements of said lease, and will duly keep, perform, and abide by each and every term and provision of said lease as therein stipulated and agreed, then this obligation will be null and void; otherwise to remain in full force and effect.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, in the presence of:

(Signature of Witness)

(Printed Name of Witness)

(Signature of Principal)

(Printed Name of Signer)

(Address of Witness)

(Address of Principal)

(Signature of Witness)

(Printed Name of Witness)

(Signature of Surety)

(Printed Name of Signer)

(Address of Witness)

(Address of Surety)

(Signature of Witness)

(Printed Name of Witness)

(Signature of Surety)

(Printed Name of Signer)

(Address of Witness)

(Address of Surety)

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\* This form of bond may be used in connection with coal, phosphate, and sodium leases, Act of February 25, 1920, as amended (30 U.S.C. 181 et seq.); potassium leases, Act of February 7, 1927, as amended (30 U.S.C. 281 et seq.); sulphur leases, Act of April 17, 1926, as amended (30 U.S.C. 271 et seq.); all such leases involving acquired lands, Act of August 7, 1947 (30 U.S.C. 351), and asphalt leases, Act of June 28, 1944 (58 Stat. 463, 483-485), by inserting the particular mineral applicable in the space provided therefore. *If this bond is executed by a corporation, it must bear the corporate seal.*

## NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished with the following information in connection with information required by this bond form.

**AUTHORITY:** 30 U.S.C. 181 et seq.; 43 CFR Parts 3400 and 3500

**PRINCIPAL PURPOSE:** The Bureau of Land Management (BLM) will use the information you provide to ensure that the United States is fully indemnified against failure to perform under the terms, conditions, and stipulations of a mineral lease.

**ROUTINE USES:** BLM will disclose information to: (1) appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal, or regulatory investigations or prosecutions; (2) appropriate Federal agencies when their concurrence is required before BLM grants a right in public lands or resources; (3) a member of the public in response to a specific request for pertinent information; (4) a congressional office in response to an inquiry made at the request of an individual; and (5) to a consumer reporting agency to expedite collecting debts owed the government.

**EFFECT OF NOT PROVIDING INFORMATION:** Filing of this information is required to obtain and keep a benefit. If you do not provide a bond, BLM will not issue a mineral lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to comply with the regulations at 43 CFR Parts 3400 and 3500, which implement the provisions of the Mineral Leasing Act of 1920, as amended; the Mineral Leasing Act for Acquired Land of 1947; and Section 402 of Reorganization Plan No. 3 of 1946.

BLM uses the information to protect the interests of the United States in cases where lessees fail to perform under the terms, conditions, and stipulations of their mineral leases.

Response to this request is required to obtain and keep a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 4 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (1004-0121), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

PERSONAL BOND\* AND POWER OF ATTORNEY  
UNDER ☐ MINERAL LEASE OR ☐ PROSPECTING PERMIT  
FOR MINING DEPOSITS

FORM APPROVED  
OMB NO. 1004-0121  
Expires: February 28, 2013

Serial Number

Bond Number

Office

KNOW ALL MEN BY THESE PRESENTS, That

, as obligor, is held and  
firmly bound unto the United States in the sum of \_\_\_\_\_ dollars,  
(\$ \_\_\_\_\_), lawful money of the United States, for the payment of which, well and truly to be made, he binds  
himself, his heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The conditions of this obligation are such, that whereas the above-named obligor entered into a mineral lease or prospecting permit of the lands described therein upon conditions therein expressed, which mineral lease or prospecting permit bears the above serial number.

Now, THEREFORE, if the said obligor, his heirs, executors, administrators, or successors, will faithfully carry out the obligations and observe the requirements of said mineral lease or prospecting permit and will duly keep, perform, and abide by each and every term and provision of said mineral lease or prospecting permit as therein stipulated and agreed, then this obligation will be null and void; otherwise to remain in full force and effect.

That said obligor, in order the more fully to secure the United States in the payment of the aforesaid sum, hereby pledges cash as security therefor or negotiable bonds of the United States, of a par value equal to the amount specified, which said bonds are numbered serially and are in the denominations and amounts and are otherwise more particularly described as follows: \_\_\_\_\_ bonds of \$ \_\_\_\_\_, bearing \_\_\_\_\_ percent interest, with  
coupons attached to each numbered \_\_\_\_\_

which said bonds have been deposited with the Secretary of the Interior.

\*This form of bond may be used in connection with phosphate, and sodium mineral leases or prospecting permits, Act of February 25, 1920, as amended (30 U.S.C. 181 *et seq.*); potassium mineral leases or prospecting permits, Act of February 7, 1927, as amended (30 U.S.C. 281 *et seq.*); sulphur mineral leases or prospecting permits, Act of April 17, 1926, as amended (30 U.S.C. 271 *et seq.*); all such mineral leases or prospecting permits involving acquired lands, Act of August 7, 1947, (30 U.S.C. 351), and asphalt mineral leases or prospecting permits, Act of June 28, 1944, as amended (25 U.S.C. 561-562), by inserting the particular mineral applicable in the space provided therefor. This form is for use where the mineral lease or prospecting permit covers either public lands or lands embraced in an entry or patent subject to the reservation of potassium, phosphate, or sodium deposits to the United States under the Act of July 17, 1914 (30 U.S.C. 121-123); pursuant to the Act of June 22, 1910 (30 U.S.C. 83-85), pursuant to the Act of March 8, 1922 (48 U.S.C. 376-377); or of sulphur pursuant to the Act of March 4, 1933 (30 U.S.C. 124). If this bond is executed by a corporation, it must bear the corporate seal.

That the said obligor does hereby constitute and appoint the Secretary of the Interior as his attorney, for him and in his name to collect or to sell, assign, and transfer the said cash or United States bonds above-described and deposited by the obligor, as aforesaid, pursuant to authority conferred by section 1 of the Act of July 30, 1947 (61 Stat. 646; 6 U.S.C. 15), as security for the faithful performance of any and all of the conditions or stipulations as hereinbefore set out, and it is agreed that, in case of any default in the performance of the conditions and stipulations of such undertaking the said attorney must have full power to collect said bonds or any part thereof, or to sell, assign, and transfer said bonds or any part thereof without notice, at

public or private sale, free from any equity of redemption or without appraisalment or valuation, notice and right to redeem being waived, and to apply proceeds of such sale or collection to the full amount of the bond to the satisfaction of any damages, or deficiencies arising by reason of such default, as said attorney may deem best. The interest accruing upon said United States bonds deposited as above stated, in the absence of any default in the performance of any of the conditions or stipulations of the bond, must be paid to said obligor. The said obligor hereby for himself, his heirs, executors, administrators, and successors, ratifies and confirms whatever his said attorney must do by virtue of these presents.

Signed on this            day of            , 20            , in the presence of:

\_\_\_\_\_  
(Printed Name of Witness)

\_\_\_\_\_  
(Printed Name of Obligor)

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Signature of Obligor)

\_\_\_\_\_  
(Address of Witness)

\_\_\_\_\_  
(Address of Obligor)

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

## NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished with the following information in connection with information required by this bond form.

**AUTHORITY:** 30 U.S.C. 181 et seq., 43 U.S.C. 3500

**PRINCIPAL PURPOSE:** Bureau of Land Management (BLM) will use the information you provide to ensure that the United States is fully indemnified against failure to perform under the terms, conditions and stipulations of a mineral lease or prospecting permit.

**ROUTINE USES:** BLM will disclose information to: (1) appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal, or regulatory investigations or prosecutions; (2) appropriate Federal agencies when their concurrence is required before BLM grants a right in public lands or resources; (3) a member of the public in response to a specific request for pertinent information; (4) a congressional office in response to an inquiry made at the request of an individual; and (5) to a consumer reporting agency to expedite collecting debts owed the government.

**EFFECT OF NOT PROVIDING INFORMATION:** Filing of this information is required to obtain and keep a benefit. If you do not provide a bond, BLM will not issue you a prospecting permit or lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to comply with the regulations of 43 CFR 3500, which implement the provisions of the Mineral Leasing Act of 1920, as amended; the Mineral Leasing Act for Acquired Land of 1947; and section 402 of Reorganization Plan No. 3 of 1946.

BLM uses the information to protect the interests of the United States in cases where lessees or permittees fail to perform under the terms, conditions, and stipulations of their mineral leases or permits.

Response to this request is required to obtain and keep a benefit.

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